

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: <input checked="" type="checkbox"/> (1) X An Original <input type="checkbox"/> (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

Instructions:

- For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
- Show below the computation of allowances for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
- Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effect.

All Overheads are allocated on the basis of direct labor charged to specific jobs, using a factor determined each year (based on the previous year) to be effective for the year.

Supervision: The costs for Operating Officers and Managers to Supervise labor force.

Fringe Benefits: The expenses of paid leaves, insurance and 401k programs, payroll taxes and other applicable benefits.

Transportation Allocation - Vehicles: The costs of fleet vehicles consisting of: fuel and oil, maintenance and repairs, licenses and insurance and depreciation.

Transportation Allocation - Equipment: The costs of fleet equipment consisting of fuel and oil, maintenance and repairs, licenses and insurance, and depreciation. These costs are only allocated to Mains and Service jobs.

COMPUTATION OF ALLOWANCES FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt	S 2,397,917		
2	Short Term Interest			s 0.0497
3	Long-Term Debt	D 2,793,044	53.80%	d 0.0442
4	Preferred Stock	P -	-	p -
5	Common Equity	C 2,398,077	46.20%	c 0.1105
6	Total Capitalization	5,191,121	100.00%	
7	Average Construction Work in Progress Balance	W 24,016		

2. Gross Rates for Borrowed Funds

$$\frac{s(S) + d(D)(1 - S)}{W \quad D + P + C \quad W} = 2.61$$

3. Rate for Other Funds

$$\frac{[1 - (S)] [p(P) + c(C)]}{W \quad D + P + C \quad D + P + C} = (5.05)$$

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds -

b. Rate for Other Funds -

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GENERAL INFORMATION					
<p>1. Provide name and title of officer having custody of the general corporate books of account and addresses of office where the general corporate books are kept, and addresses of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>General Corporate Books:</p> <p>Lori A Uhl, Assistant Treasurer Illinois Gas Company PO Box 490 1927 Miller Drive Olney, IL 62450-0490</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Stock Book and Minute Book:</p> <p>Avery Dewing Corporation c/o Hazardville Water Company 281 Hazard Avenue Enfield, CT 06082</p> </td> </tr> </table>				<p>General Corporate Books:</p> <p>Lori A Uhl, Assistant Treasurer Illinois Gas Company PO Box 490 1927 Miller Drive Olney, IL 62450-0490</p>	<p>Stock Book and Minute Book:</p> <p>Avery Dewing Corporation c/o Hazardville Water Company 281 Hazard Avenue Enfield, CT 06082</p>
<p>General Corporate Books:</p> <p>Lori A Uhl, Assistant Treasurer Illinois Gas Company PO Box 490 1927 Miller Drive Olney, IL 62450-0490</p>	<p>Stock Book and Minute Book:</p> <p>Avery Dewing Corporation c/o Hazardville Water Company 281 Hazard Avenue Enfield, CT 06082</p>				
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law give reference to such law. If not incorporated, state that fact and give the type of organization and the date.</p> <p>Illinois, 1916</p>					
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Does not apply</p>					
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>All Services furnished in Illinois</p> <p>Residential Heating and Non-Heating Small Commercial Heating and Non-Heating Medium Commercial Heating and Non-Heating Large Commercial Heating and Non-Heating Small, Medium and Large Industrial Seasonal Interruptible Large Commercial & Industrial Firm Transportation</p>					
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for you previous year's certified financial statements?</p> <p>(1) <input checked="" type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged: 12/4/2003 (previous year's statements were unaudited)</p> <p>(2) <input type="checkbox"/> No</p>					

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OFFICERS				
<p>1. Report below the name, title and salary for each executive officer whose salary is \$150,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy-making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name of the previous incumbent, and date the change in incumbency was made.</p> <p>3. Utilities, which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of Item 4 of Regulation S-K (identifying page). The substituted page(s) should be the same size as this page.</p>				
Line No.	Title (a)	Name of Officer (b)		
1				
2	All salaries below \$150,000			
3				
4	Chairman of the Board, Senior Executive Officer	Lloyd L. Morain		
5				
6	President, Chief Executive Officer	Roger C. Avery		
7				
8	Vice President	Susan R. Avery		
9				
10	Vice President	Robert B. Avery		
11				
12	Treasurer	Jonathan S. Avery		
13				
14	Secretary	Rosemary Avery		
15				
16	Assistant Treasurer	Lori A. Uhl		
17				
18	Assistant Secretary	Ricky W. Zehner		
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SECURITY HOLDERS AND VOTING POWERS

Instructions:

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust, and principal holds of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the name of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carriers voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing: December 1, 2003 Dividends	2. State the total number of votes cast at the latest general meeting prior to the end of the year for election of directors of the respondent and number of such votes cast by proxy Total: 1,968.0 By Proxy: 385.8	3. Give the date and place of such meeting: October 4, 2003 Olney, Illinois
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Line No.	Name (Title) & Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date): 12/31/03			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	2,400.0	2,400.0		
5	TOTAL number of security holders	11.0	11.0		
6	TOTAL votes of security holders listed below	2,400.0	2,400.0		
7					
8	Lloyd L. Morain Revocable Trust	393.0	393.0		
9	PO Box 7190				
10	Carmel, CA 93921-7190 see page 107				
11					
12	Arthur Stone Dewing Irrevocable Trust	600.0	600.0		
13	% Welch & Forbes				
14	45 School Street				
15	Boston, MA 02018 see page 107				
16					
17	Frances R. Dewing Revocable Trust	400.0	400.0		
18	% Welch & Forbes				
19	45 School Street				
20	Boston, MA 02018 see page 107				
21					
22	Roger C. Avery, President/CEO/Director	239.8	239.8		
23	55 Woodbridge Drive				
24	East Greenwich, RI 02818				
25					
26	Margaret A. Avery	172.8	172.8		
27	243 Plymouth Road	(includes 48 custodial)			
28	Newton, MA 02161				
29					
30					

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SECURITY HOLDERS AND VOTING POWERS (con't)							
Line No.	Name (Title) & Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
31	Jonathan S. Avery, Treasurer/Director	156.8	156.8				
32	48 Maple St.	(includes 32 custodial)					
33	Sherborn, MA 01770						
34							
35	Robert B. Avery, Vice President/Director	176.8	176.8				
36	4442 Greenwich Parkway NW	(includes 32 custodial)					
37	Washington DC 20007-2068						
38							
39	Susan R. Avery, Vice President	212.8	212.8				
40	31 Central Street	(includes 40 custodial)					
41	Acton, MA 01720						
42							
43	Heather Nordell-Avery	16.0	16.0				
44	9028 Dayton Avenue North						
45	Seattle, WA 98103						
46							
47	Rachel L. Avery	16.0	16.0				
48	202 Dorchester Drive						
49	Mahomet, IL 61853						
50							
51	Elizabeth F. Avery	16.0	16.0				
52	515 Sheridan Rd. Apt. 105						
53	Evanston, IL 60202-3109						
54							
55							
56							
57							
58	KNOWN PARTICULARS OF TRUSTS						
59	Name of Trust	Duration	Trustees	Beneficiaries			
60	Lloyd L. Morain	lifetime of	L.L. Morain	Charitable Remainder Trust			
61	Revocable Trust	Lloyd Morain					
62							
63	Arthur Stone Dewing	lifetime of	R.B. Avery	Heirs of A.S. Dewing			
64	Irrevocable Trust	Ruth Ewing	T.R. Ewing				
65			R.S. Avery				
66			R.C. Avery				
67			C. Cobelo				
68							
69	Frances R. Dewing	lifetime of	M. Bluestein	Heirs of Frances R. Dewing and			
70	Revocable Trust	Ruth Ewing		Abigail Avery			
71							
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106,114)	200-201	15,161,316	15,321,587
3	Construction Work in Progress (107)	200-201	-	-
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		15,161,316	15,321,587
5	(Less) Accum. Prov. For Depr. Amort. Depl (108, 111, 115)	200-201	(7,046,017)	(7,329,290)
6	Net Utility Plant (Enter Total of line 4 less 5)		8,115,299	7,992,298
7	Nuclear Fuel (120.1-120.4, 120.6)		-	-
8	(Less) Accum. Prov. For Amort. Of Nucl. Assembl. (120.5)		-	-
9	Net Nuclear Fuel (Enter total of line 7 less line 8)		-	-
10	Net Utility Plant (Enter total of lines 6 less 9)		8,115,299	7,992,298
11	Utility Plant Adjustments (116)	122	-	-
12	Gas Stored Underground-Noncurrent (117)	220	-	-
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	41	-	-
15	(Less) Accum. Prov. For Depr. And Amort. (122)	41	-	-
16	Investments in Associated Companies (123)	222-223	-	-
17	Investment in Subsidiary Companies (123.1)	224-225	284,871	477,375
18	(For Cost of Account 123.1, see footnote page 224, line 42)			
19	Noncurrent Portion of Allowances		-	-
20	Other Investments (124)	222-223	-	-
21	Special Funds (125-128)	16	-	-
22	TOTAL Other Property and Investments (Total of lines 14-17, 19-21)		284,871	477,375
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		204,425	128,857
25	Special Deposits (132-134)	16	-	-
26	Working Funds (135)		3,429	3,230
27	Temporary Cash Investments (136)	222-223	66,193	-
28	Notes Receivable (141)	17	-	-
29	Customer Accounts Receivable (142)		564,349	713,903
30	Other Accounts Receivable (143)	17	4,223	6,446
31	(Less) Accum. Prov. For Uncollectibles Acct.-Credit (144)		(33,339)	(55,292)
32	Notes Receivable from Associated Companies (145)	18	-	-
33	Accounts Receivable from Assoc. Companies (146)	18	232,935	156,949
34	Fuel Stock (151)	20	-	-
35	Fuel Stock Expense Undistributed (152)	20	-	-
36	Residuals (Elec.) and Extracted Products (Gas) (153)	20	-	-
37	Plant Materials and Operating Supplies (154)	20	17,233	15,280
38	Merchandise (155)	20	5,726	4,733
39	Other Materials and Operating Supplies (156)	20	-	-
40	Nuclear Materials Held for Sale (157)	20	-	-
41	Allowances (158.1 and 158.2)		-	-
42	(Less) Noncurrent Portion of Allowances		-	-
43	Stores Expenses Undistributed (163)	20	-	-
44	Gas Stored Underground-Current (164.1)	220	-	-
45	Liquefied Natural Gas Stored and Held for Processing (164.2 - 164.3)	220	-	-
46	Prepayments (165)	230	54,450	73,214
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable (171)		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenue (173)		1,055,440	1,080,807
51	Miscellaneous Current and Accrued Assets (174)	19	-	-

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (continued)				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
52	Derivative Instrument Assets (175)			
53	Derivative Instrument Assets - Hedges (176)			
54	TOTAL Current and Accrued Assets (Enter total of lines 24 thru 53)		2,175,064	2,128,128
55	DEFERRED DEBITS			
56	Unamortized Debt Expense (181)	26-27	6,245	5,886
57	Extraordinary Property Losses (182.1)	230	-	-
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230	-	-
59	Other Regulatory Assets (182.3)	232	-	-
60	Prelim. Survey and Investigation Charges (Electric) (183)		-	-
61	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		-	-
62	Clearing Accounts (184)		-	-
63	Temporary Facilities (185)		-	-
64	Miscellaneous Deferred Debits (186)	233	7,639	-
65	Deferred Losses from Disposition of Utility Plant (187)		-	-
66	Research, Development & Demonstration Expenditures (188)		-	-
67	Unamortized Loss on Reacquired Debt (189)		-	-
68	Accumulated Deferred Income Taxes (190)	234-235	8,006	11,672
69	Unrecovered Purchased Gas Costs (191)		-	-
70	TOTAL Deferred Debits (Enter total of lines 56 thru 69)		21,890	17,558
71	TOTAL Assets and Other Debits (Enter total of lines 10,11,12,22,54 and 70)		10,597,125	10,615,358

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	297,214	297,214
3	Preferred Stock Issued (204)	250-251	-	-
4	Capital Stock Subscribed (202,206)	252	-	-
5	Stock Liability for Conversion (203,206)	252	-	-
6	Premium on Capital Stock (207)	252	-	-
7	Other Paid in Capital (208-211)	253	66,193	-
8	Installments Received on Capital Stock (212)	252	-	-
9	(Less) Discount on Capital Stock (213)	254	-	-
10	(Less) Capital Stock Expense (214)	25	-	-
11	Retained Earnings (215,215.1,216)	118-119	2,491,852	2,320,229
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	120,655	311,703
13	(Less) Recquired Capital Stock (217)	250-251	(387,239)	(387,239)
14	Accumulated Other Comprehensive Income (219)	118(a) (b)		
15	TOTAL Proprietary Capital (Enter total of lines 2 thru 14)		2,588,676	2,541,908
16	LONG-TERM DEBT			
17	Bonds (221)	22-23	-	
18	(Less) Recquired Bonds (222)		-	
19	Advances from Associated Companies (223)		-	
20	Other Long-Term Debt (224)		2,878,709	2,769,644
21	Unamortized Premium on Long-Term Debt (225)	26-27	-	-
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	26-27	-	-
23	(Less) Current Portion of Long-Term Debt		-	(150,009)
24	TOTAL Long-Term Debt (Enter total of lines 17 thru 23)		2,878,709	2,619,635
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases-Noncurrent (227)		-	-
27	Accumulated Provision for Property Insurance (228.1)		-	-
28	Accumulated Provision for Injuries and Damages (228.2)		-	-
29	Accumulated Provision for Pensions and Benefits (228.3)		-	-
30	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
31	Accumulated Provision for Rate Refunds (229)		-	-
32	Asset Retirement Obligations (230)		-	-
33	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 32)		-	-
34	CURRENT AND ACCRUED LIABILITIES			
35	Current Portion of Long-Term Debt		-	150,009
36	Notes Payable (231)	17	2,325,000	1,350,000
37	Accounts Payable (232)		1,117,794	1,809,369
38	Notes Payable to Associated Companies (233)	17	-	-
39	Accounts Payable to Associated Companies (234)	17	-	-
40	Customer Deposits (235)		(1,860)	201
41	Taxes Accrued (236)	262-263	38,290	1,675
42	Interest Accrued (237)		28,447	24,245
43	Dividends Declared (238)		-	-
44	Matured Long Term Debt (239)		-	-
45	Matured Interest (240)		-	-
46	Tax Collections Payable (241)		(289)	-
47	Miscellaneous Current and Accrued Liabilities (242)		390,438	-
48	Obligations Under Capital Leases-Current (243)		-	422,084
49	Derivative Instrument Liabilities (244)		-	-
50	Derivative Instrument Liabilities - Hedges (245)		-	-
51	TOTAL Current & Accrued Liabilities (Enter total of lines 35 thru 50)		3,897,820	3,757,582

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Instructions:

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
52	DEFERRED CREDITS			
53	Customer Advances for Construction (252)		3,103	3,103
54	Accumulated Deferred Investment Tax Credits (255)		36,453	33,517
55	Deferred Gains from Disposition of Utility Plant (256)			-
56	Other Deferred Credits (253)	269		512,644
57	Other Regulatory Liabilities (254)	278	204,867	17,827
58	Unamortized Gain on Reacquired Debt (257)	260		-
59	Accumulated Deferred Income Taxes (281-283)		987,497	1,129,142
60	TOTAL Deferred Credits (Enter total of lines 53 thru 59)		1,231,920	1,696,233
61	TOTAL Liabilities and Other Credits (Enter total of lines 15,24,33,51 & 60)		10,597,125	10,615,358

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STATEMENT OF INCOME FOR THE YEAR

Instructions:

- Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
- Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Account (a)	(Ref) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	12,127,904	10,022,644
3	Operating Expenses			
4	Operations Expenses (401)	320-325	10,549,399	7,539,798
5	Maintenance Expenses (402)	320-325	486,303	428,323
6	Depreciation Expenses (403)	336-338	654,878	566,073
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338		
8	Amortization & Depletion Of Utility Plant (404-405)	336-338	-	-
9	Amortization & Utility Plant Acq. Adj. (406)	336-338	-	-
10	Amortization of Property Losses, Unrecovered Plant & Regulatory Study Costs (407.1)		-	-
11	Amortization of Conversion Expenses (407.2)		-	-
12	Regulatory Debits (407.3)		(187,140)	463,168
13	(Less) Regulatory Credits (407.4)		-	-
14	Taxes Other Than Income Taxes (408.1)	262-263	572,331	579,555
15	Income Taxes - Federal (409.1)	262-263	(63,196)	23,792
16	Income Taxes - Other (409.1)	262-263	(3,544)	5,289
17	Provision for Deferred Income Taxes (410.1)	234,274,277	117,480	37,235
18	(Less) Provision for Deferred Income Taxes - Credit (411.1)	234,274,277	-	-
19	Investment Tax Credit Adjustment - Net (411.4)		(2,936)	(4,766)
20	(Less) Gains from Disp. Of Utility Plant (411.6)		-	-
21	Losses from Disp. Of Utility Plant (411.7)		-	-
22	(Less) Gains from Disposition of Allowances (411.8)		-	-
23	Losses from Disposition of Allowances (411.9)		-	-
24	Accretion Expense (411.10)		-	-
25	TOTAL Utility Operating Expenses (Enter total of lines 4 thru 24)		12,123,575	9,638,467
26	Net Utility Operating Income (Enter total of line 2 less 25)		4,328	384,177
27				
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Nonutility Operating Income			
31	Revenues from Merchandising, Jobbing and Contract Work (415)		247,316	24,827
32	(Less) Costs & Expenses of Merchandising, Job & Contract Work (416)		(225,637)	(20,262)
33	Revenues from Nonutility Operations (417)		-	-
34	(Less) Expenses of Nonutility Operations (417.1)		-	-
35	Nonoperating Rental Income (418)		25	50
36	Equity in Earnings of Subsidiary Companies (418.1)	119	191,048	93,893
37	Interest and Dividend Income (419)		15,481	13,585
38	Allowance for Other Funds Used During Construction (419.1)		-	-
39	Miscellaneous Nonoperating Income (421)		124,418	100
40	Gain on Disposition of Property (421.1)		37,744	8,574
41	TOTAL Other Income (Enter total of lines 31 thru 40)		390,394	120,767
42	Other Income Deductions			
43	Loss on Disposition of Property (421.1)		(17,152)	(1,059)
44	Miscellaneous Amortization (425)	340	-	-
45	Miscellaneous Income Deductions (426.1 - 426.5)	340	-	(3,931)
46	TOTAL Other Income Deductions (Total of lines 42 thru 45)		(17,152)	(4,989)

Name of Respondent ILLINOIS GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2003
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STATEMENT OF INCOME FOR THE YEAR (Continued)

Instructions:

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.
8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in this preceding year. Also give the approximate dollar effect of such changes.
9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.
10. If the columns are insufficient for reporting additional utility departments, supply the appropriated account titles, lines 2 to 23, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
		12,127,904	10,022,644			1
						2
						3
		10,549,399	7,539,798			4
		486,303	428,323			5
		654,878	566,073			6
		-	-			7
		-	-			8
		-	-			9
		-	-			10
		-	-			11
		(187,140)	463,168			12
		-	-			13
		572,331	579,555			14
		(63,196)	23,792			15
		(3,544)	5,289			16
		117,480	37,235		-	17
		-	-			18
		(2,936)	(4,766)			19
		-	-			20
		-	-			21
		-	-			22
		-	-			23
-	-	12,123,575	9,638,467	-	-	24
-	-	4,328	384,177	-	-	25

Name of Respondent ILLINOIS GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2003
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STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
1						
2						
3						
4						
5						
6						
7						
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11						
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23						
24						

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
STATEMENT OF INCOME FOR THE YEAR (continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
47	Taxes Applicable to Other Income and Deductions			
48	Taxes Other than Income Taxes (408.2)	262-263	-	-
49	Income Taxes - Federal (409.2)	262-263	-	-
50	Income Taxes - Other (409.2)	262-263	-	-
51	Provision for Deferred Income Taxes (410.2)	234,274-277	-	-
52	(Less) Provision for Deferred Income Taxes - Credit (411.2)	234,274-277	-	-
53	Investment Tax Credit Adjustment - Net (411.5)		-	-
54	(Less) Investment Tax Credits (420)		-	-
55	TOTAL Taxes on Other Income & Deductions (Total of 48 thru 54)		-	-
56	Net Other Income & Deductions (Enter total of lines 41, 46, 55)		373,242	115,778
57	Interest Charges			
58	Interest on Long-Term Debt (427)		(123,482)	(161,091)
59	Amortization of Debt Disc. And Expense (428)	26-27	(359)	(1,218)
60	Amortization of Loss on Reacquired Debt (428.1)		-	-
61	(Less) Amortization of Premium on Debt-Credit (429)	26-27	-	-
62	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		-	-
63	Interest on Debt to Associated Companies (430)	340	-	-
64	Other Interest Expense (431)		(119,105)	(137,842)
65	(Less) Allowance for Borrowed Funds Used During Construction -Credit (432)		-	-
66	Net Interest Charges (Enter total of lines 58 thru 65)		(242,946)	(300,151)
67	Income Before Extraordinary Items (Enter total of lines 26, 56 and 66)		134,625	199,805
68	Extraordinary Items			
69	Extraordinary Income (434)		-	-
70	(Less) Extraordinary Deductions (435)		-	-
71	Net Extraordinary Items (Enter total of line 69 less line 70)		-	-
72	Income Taxes - Federal and Other (409.3)	262-263	-	-
73	Extraordinary Items after Taxes (Enter total of line 71 less line 72)		-	-
74	Net Income (Enter total of lines 67 and 73)		134,625	199,805

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Instructions

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated, undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439 Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (216)		
1	Balance-Beginning of Year		2,491,852
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter total of lines 4 thru 8)		-
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter total of lines 10 thru 14)		-
16	Balance Transferred from Income (Account 433 less Account 418.1)	216	(56,423)
17	Appropriations to Retained Earnings (Account 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Account 436) (Total of lines 18 thru 21)		-
23	Dividends Declared-Preferred Stock (437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared-Preferred Stock (Account 437) (Total of lines 24 thru 28)		-
30	Dividends Declared-Common Stock (Account 438)		
31	March	131	(28,800)
32	June	131	(28,800)
33	September	131	(28,800)
34	December	131	(28,800)
35			
36	TOTAL Dividends Declared-Common Stock (Account 438) (Total of lines 31 thru 35)		(115,200)
37	Transfers from Account 216.1, Unappropriated, Undistributed, Subsidiary Earnings	216	-
38	Balance-End of Year (Total lines 1,9,15,16,22,29,36,37)		2,320,229

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STATEMENT OF RETAINED EARNINGS FOR THE YEAR				
Line No.	Item (a)			Amount (b)
	APPROPRIATED RETAINED EARNINGS (215)			
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.			
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			-
	APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1)			
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.			
46	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
47	TOTAL Appropriated Retained Earnings (Accounts 215,215.1) (Enter total lines 45 and 46)			-
48	TOTAL Retained Earnings (Accounts 215,215.1,216) (Enter total of lines 38 and 47)			2,320,229
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
49	Balance-Beginning of Year (Debit or Credit)			120,655
50	Equity in Earnings for Year (Credit) (418.1)		216	191,048
51	(Less) Dividends Received (Debit)		216	
52	Other Changes (Explain)			
53	Balance-End of Year (Total lines 49 thru 52)			311,703

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STATEMENT OF CASH FLOWS				
Instructions				
1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be attached to page 122. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.				
2. Under "Other" specify significant amounts and group others.				
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.				
Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)		
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 72(c) on page 117)	134,625		
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	283,273		
5	Amortization of (Specify)			
6	Miscellaneous Deferred Debits	7,639		
7	Long Term Debt Expense	359		
8	Deferred Income Taxes (Net)	137,979		
9	Investment Tax Credit Adjustments (Net)	(2,936)		
10	Net (Increase) Decrease in Receivables	(79,205)		
11	Net (Increase) Decrease in Inventory	2,946		
12	Net (Increase) Decrease in Allowances Inventory			
13	Net Increase (Decrease) in Payables and Accrued Expenses	1,197,397		
14	Net (Increase) Decrease in Other Regulatory Assets			
15	Net Increase (Decrease) in Other Regulatory Liabilities	(187,040)		
16	(Less) Allowances for Other Funds Used During Construction			
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other:			
19				
20				
21	Net Cash Provided by (Used in) Operating Activities	1,495,036		
22	(Total of lines 2 thru 20)			
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	160,271		
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant			
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction			
31	Other:			
32				
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	160,271		
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advance to Assoc. and Subsidiary Companies	192,504		
40	Contributions and Advances from Assoc. and Subsidiary Companies			
41	Disposition of Investments in (and Advances to)			
42	Associated and Subsidiary Companies			
43				
44	Purchase of Investment Securities (a)			
45	Proceeds from Sales of Investment Securities (a)			

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STATEMENT OF CASH FLOWS (continued)				
Instructions				
4. Investing Activities - Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets with liabilities assumed page 122. Do not include on this statement the dollar amount of leases capitalized per Uniform System of Accounts General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.				
5. Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc.				
6. Enter on page 122 clarifications and explanations.				
Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)			Amounts (b)
46	Loans Made or Purchased			
47	Collections on Loans			
48				
49	Net (Increase) Decrease in Receivables			
50	Net (Increase) Decrease in Inventory			
51	Net (Increase) Decrease in Allowances Held for Speculation			
52	Net Increase (Decrease) in Payables and Accrued Expenses			
53	Other:			
54	Temporary Cash Investment - Principal Stock			66,193
55				
56	Net Cash Provided by (Used In) Investing Activities			(418,968)
57	(Total of lines 34 thru 55)			
58				
59	Cash Flows from Financing Activities:			
60	Proceeds from Issuance of:			
61	Long-Term Debt (b)			
62	Preferred Stock			
63	Common Stock			
64	Other:			
65				
66	Net Increases in Short-term Debt (c)			
67	Other:			
68				
69				
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)			-
71				
72	Payments for Retirement of:			
73	Long-Term Debt (b)			(109,065)
74	Preferred Stock			
75	Common Stock			
76	Other:			
77				
78	Net Decrease in Short-Term Debt (c)			(975,000)
79				
80	Dividends on Common Stock			(115,200)
81	Dividends on Preferred Stock			
82	Net Cash Provided by (Used In) Financing Activities			(1,199,265)
83	(Total of lines 70 thru 81)			
84				
85	Net Increase (Decrease) in Cash and Cash Equivalents			(123,196)
86	(Total of lines 22, 57 and 83)			
87				
88	Cash and Cash Equivalents at Beginning of Year			328,497
89				
90	Cash and Cash Equivalents at End of Year			205,301

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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NOTES TO FINANCIAL STATEMENTS

Instructions

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of a material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of a disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189-Unamortized Loss on Reacquired Debt and 257-Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attach hereto.

Statement of Income for the Year:

The deferred tax calculation was changed from the Income Statement approach to the Balance Sheet approach to adopt the change in GAAP.

The incentive plan expense for 2003 includes an accrual for the 2003 payout, as well as, the actual payout for 2002. In previous years, the incentive plan was expensed in the year in which it was paid.

Illinois Gas's subsidiaries, Utility Safety and Design, Inc and Utility Sales and Service, Inc, started paying state taxes to the six states that they do business in as opposed to a combined return with Illinois Gas as in the past.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant In Service (Classified)	15,321,587		
4	Property Under Capital Leases	-		
5	Plant Purchased or Sold	-		
6	Completed Construction not Classified	-		
7	Experimental Plant Unclassified	-		
8	TOTAL (Enter total of lines 3 thru 7)	15,321,587	-	
9	Leased to Others	-		
10	Held for Future Use	-		
11	Construction Work in Progress	-		
12	Acquisition Adjustments	-		
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)	15,321,587	-	
14	Accumulated Provision for Depreciation, Amortization & Depletion	(7,329,290)		
15	Net Utility Plant (Enter total of line 13 less 14)	7,992,298	-	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service			
18	Depreciation	7,329,290		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	-		
20	Amortization of Underground Storage Land and Land Rights	-		
21	Amortization of Other Utility Plant	-		
22	TOTAL In Service (Enter total of lines 18 thru 21)	7,329,290	-	
23	Leased to Others			
24	Depreciation	-		
25	Amortization	-		
26	TOTAL Leased to Others (Enter total of lines 24 and 25)	-	-	
27	Held for Future Use			
28	Depreciation	-		
29	Amortization	-		
30	TOTAL Held for Future Use (Enter total of lines 28 thru 29)	-	-	
31	Abandonment of Leases (Natural Gas)	-		
32	Amort. Of Plant Acquisition Adjustment	-		
33	TOTAL Accumulated Provision (Should agree with line 14 above) (Enter total of lines 22, 26, 30, 31 and 32)	7,329,290	-	

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (continued)				
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Common (h)	Line No.
				1
				2
15,321,587				3
				4
				5
				6
				7
15,321,587	-	-	-	8
				9
				10
				11
				12
15,321,587	-	-	-	13
(7,329,290)				14
7,992,298	-	-	-	15
				16
				17
7,329,290				18
				19
				20
				21
7,329,290	-	-	-	22
				23
				24
				25
-	-	-	-	26
				27
				28
				29
-	-	-	-	30
				31
				32
7,329,290	-	-	-	33

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)				
<p>1. Report below the original cost of gas plant in service according to prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified) this page and the next include Account 102-Gas Plant Purchased or Sold; Account 103-Experimental Gas Plant Unclassified; and Account 106-Completed Construction Not Classified-Gas.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions or prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts.</p>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
1	1. Intangible Plant			
2	301 Organization	12,786		
3	302 Franchises and Consents			
4	303 Miscellaneous Intangible Plant			
5	TOTAL Intangible Plant	12,786	-	
6	2. Production Plant			
7	Natural Gas Production and Gathering Plant			
8	321 Asset Retirement Costs for Manufactured Gas Production Plants			
9	325.1 Producing Lands			
10	325.2 Producing Leaseholds			
11	325.3 Gas Rights			
12	325.4 Rights-of-Way			
13	325.5 Other Land and Land Rights			
14	326 Gas Well Structures			
15	327 Field compressor Station Structure			
16	328 Field measure and Reg. Station Structure			
17	329 Other Structures			
18	330 Producing Gas Wells-Well Construction			
19	331 Producing Gas Wells-Well Equipment			
20	332 Field Lines			
21	333 Field Compressor Station Equipment			
22	334 Field Measure and Reg. Station Equipment			
23	335 Drilling and Cleaning Equipment			
24	336 Purification Equipment			
25	337 Other Equipment			
26	338 Unsuccessful Exploration & Development Costs			
27	339 Asset Retirement Costs for Natural Gas Production and Gathering Plant			
28	TOTAL Production and Gathering Plant	-	-	
29	Products Extraction Plant			
30	340 Land and Land Rights			
31	341 Structures and Improvements			
32	342 Extraction and Refining Equipment			
33	343 Pipe Lines			
34	344 Extracted Products Storage Equipment			
35	345 Compressor Equipment			
36	346 Gas Measuring and Regulating Equipment			
37	347 Other Equipment			
38	348 Asset Retirement Costs for Products Extraction Plant			
39	TOTAL Products Extraction Plant	-	-	
40	TOTAL Natural Gas Production Plant	-	-	
41	Mfd Gas Production Plant (Submit Supplemental Statement)			
42	TOTAL Production Plant	-	-	

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GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)

Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassification or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (h)	Line No.
				1
			12,786	301 2
			-	302 3
			-	303 4
-	-	-	12,786	5
			-	6
			-	7
			-	321 8
			-	325.1 9
			-	325.2 10
			-	325.3 11
			-	325.4 12
			-	325.5 13
			-	326 14
			-	327 15
			-	328 16
			-	329 17
			-	330 18
			-	331 19
			-	332 20
			-	333 21
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			-	337 25
			-	338 26
			-	339 27
-	-	-	-	28
			-	29
			-	30
			-	340 31
			-	341 32
			-	342 33
			-	343 34
			-	344 35
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			-	346 37
			-	347 38
-	-	-	-	348 39
-	-	-	-	40
			-	41
-	-	-	-	42

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo./Da./Yr.)		Year of Report Dec. 31, 2003	
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)				Line No.
							43
			-				44
			-	350.1			45
			-	350.2			46
			-	351			47
			-	352			48
			-	352.1			49
			-	352.2			50
			-	352.3			51
			-	353			52
			-	354			53
			-	355			54
			-	356			55
			-	357			56
			-	358			57
-	-	-	-				58
			-				59
			-	360			60
			-	361			61
			-	362			62
			-	363			63
			-	363.1			64
			-	363.2			65
			-	363.3			66
			-	363.4			67
			-	363.5			68
			-	363.6			69
-	-	-	-				70
			-				71
			-	364.1			72
			-	364.2			73
			-	364.3			74
			-	364.4			75
			-	364.5			76
			-	364.6			77
			-	364.7			78
			-	364.8			79
			-	364.9			80
-	-	-	-				81
			-				82
-	-	-	-				83
			-				84
			-	365.1			85
			-	365.2			86
			-	366			87
			-	367			88
			-	368			89
			-	369			90
			-	370			91
			-	371			92
			-	372			93
-	-	-	-				94

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
95	5. Distribution Plant			
96	374 Land and Land Rights	42,512		
97	375 Structures and Improvements	16,200		
98	376 Mains	6,729,162	55,643	
99	377 Compressor Station Equipment	-		
100	378 Meas. And Reg. Station Equipment - General	454,529	8,738	
101	379 Meas. And Reg. Station Equipment - City Gate	79,274		
102	380 Services	4,637,740	123,252	
103	381 Meters	571,237	67,830	
104	382 Meter Installations	-		
105	383 House Regulators	166,364		
106	384 House Reg. Installations	184,428	10,805	
107	385 Industrial Meas. And Reg. Station Equipment	360,638	16,485	
108	386 Other Prop. On Customers' Premises	-		
109	387 Other Equipment	-		
110	388 Asset Retirement Costs for Distribution Plant	-		
111	TOTAL Distribution Plant	13,242,085	282,753	
112	6. General Plant			
113	389 Land and Land Rights	6,000		
114	390 Structures and Improvements	82,103	48,552	
115	391 Office Furniture and Equipment	452,015	19,078	
116	392 Transportation	517,675	76,412	
117	393 Stores Equipment	6,206		
118	394 Tools, Shop and Garage Equipment	307,311	6,318	
119	395 Laboratory Equipment			
120	396 Power Operated Equipment	454,058	121,746	
121	397 Communication Equipment	81,079	8,860	
122	398 Miscellaneous Equipment	-		
123	Subtotal	1,906,446	280,966	
124	399 Other Tangible Property			
125	399.1 Asset Retirement Costs for General Plant	-		
126	TOTAL General Plant	1,906,446	280,966	
127	TOTAL (Accounts 101 and 106)			
128	Gas Plant Purchased (See Instruction 8)			
129	(Less) Gas Plant Sold (See Instruction 8)			
130	Experimental Gas Plant Unclassified			
131	TOTAL Gas Plant in Service	15,161,317	563,719	

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GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					95
			42,512	374	96
			16,200	375	97
			6,784,805	376	98
			-	377	99
			463,267	378	100
			79,274	379	101
(20,052)	209		4,741,149	380	102
	(209)		638,859	381	103
			-	382	104
			166,364	383	105
			195,233	384	106
			377,123	385	107
			-	386	108
		123,018	123,018	387	109
			-	388	110
(20,052)	-	123,018	13,627,803		111
			-		112
(6,000)			-	389	113
(75,698)			54,957	390	114
(66,180)			404,913	391	115
(114,502)			479,585	392	116
			6,206	393	117
(3,654)		(123,018)	186,957	394	118
			-	395	119
(83,217)			492,586	396	120
(34,145)			55,794	397	121
			-	398	122
(383,396)	-	(123,018)	1,680,999		123
			-	399	124
			-	399.1	125
(383,396)	-	(123,018)	1,680,999		126
			-		127
			-		128
			-		129
			-		130
(403,447)	-	-	15,321,589		131

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003	
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)					
Instructions:					
1. Explain in a footnote any important adjustments during year.					
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.					
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functionalize classifications.					
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.					
Line No.	Item (a)	Total (c + d + e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
1	Balance Beginning of Year	7,046,017	7,046,017		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	654,878	654,878		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. Of Gas Pit. Lease to Others	-			
6	Transportation Expense-Clearing	-			
7	Other Clearing Accounts	-			
8	Other Accounts (Specify):	-			
9		-			
10	TOTAL Deprec. Prov. For Year (Enter total of lines 3 thru 9)	654,878	654,878	-	-
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired **	(371,605)	(371,605)		
13	Cost of Removal	-			
14	Salvage (Credit)	-			
15	TOTAL Net Charges for Plant Ret. (Enter total lines 12 thru 14)	(371,605)	(371,605)	-	-
16	Other Debit or Credit Items (Describe):	-			
16.01					
17	Book Cost of Asset Retirement Costs	-			
18	Balance End of Year (Enter total of lines 1,10,15,16 & 17)	7,329,290	7,329,290	-	-
Section B. Balances at End of Year According to Functional Classifications					
19	Production - Manufactured Gas	-			
20	Production and Gathering - Natural Gas	-			
21	Products Extraction - Natural Gas	-			
22	Underground Gas Storage	-			
23	Other Storage Plant	-			
24	Base Load LNG Term. And Proc. Pit.	-			
25	Transmission	-			
26	Distribution	6,366,576	6,366,576		
27	General	962,714	962,714		
28	TOTAL (Enter total lines 19 thru 27)	7,329,290	7,329,290	-	-

**NOTE: \$31,843 difference with page 209, column (d) is the loss on disposal/sale of general assets and nbv of assets transferred to subsidiary

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

- Report below investments in Account 123.1-Investments in Subsidiary Companies.
- Provide a subheading for each company and list there under the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
 - Investment Advance - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Utility Safety and Design, Inc			
2	subsidiary earnings			127,377
3	asset transfer			163,216
4	Utility Safety and Design, Inc Subtotal			
5				
6				
7	Utility Sales and Service, Inc			
8	subsidiary earnings			54,374
9	asset transfer			27,904
10	dividend payment			(88,000)
11	Utility Sales and Service, Inc Subtotal			
12				
13				
14				
15				
16				
17				
18				
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42	Total Cost of Account 123.1	\$	477,374	

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

4. For any securities, notes, or accounts that were pledged, designate such securities, notes or accounts in a footnote, and state the name of pledge and purpose of pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in Column (f).
8. Report on Line 42, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed Of (h)	Line No.
				1
191,516		318,893		2
1,455		164,671		3
192,972	-	483,565		4
				5
				6
				7
(468)		53,906		8
		27,904		9
		(88,000)		10
(468)	-	(6,190)		11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
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Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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PREPAYMENTS

Instructions:

- Report below the particulars (details) on each prepayment.
- Report all payments for undelivered gas on line 5 and complete pages 226 to 227 showing particulars (details) for gas prepayments.

Line No.	Nature of Prepayment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	44,016
2	Prepaid Rents	
3	Prepaid Taxes (pages 262-263)	6,000
4	Prepaid Interest	
5	Gas Prepayments (pages 226-227)	
6	Miscellaneous prepayments:	
7	Kemper CPA Group	11,000
8	Computer Consulting / Support	5,274
9	Other	6,925
10	TOTAL	73,214

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss (Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo. Yr. To mo. To) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9	TOTAL	-	-		-	-

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs (Include in the description of costs the date of Commission authorization to use Account 182.2, and period of amortization (mo. Yr. to mo.yr.)) (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10						
11						
12						
13						
14						
15						
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Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

Instructions:

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a).
- Minor items (less than \$100,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Deferred Rate Case Expenses					
2	Amortization Period 10/1998 - 9/2003	7,639		928	7,639	(0)
3						
4						
5						
6						
7						
8						
9						
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11						
12						
13						
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expense (See Page 350-351)					
49	TOTAL	7,639	-		7,639	(0)

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondents accounting for deferred income taxes.
2. At Other (Specify), included deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 410.1/411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	-	-	-
9	Gas			
10				
11				
12				
13				
14				
15	Other	8,006		3,666
16	TOTAL Gas (Enter total of lines 10 thru 15)	8,006	-	3,666
17	Other (Specify)			
18	TOTAL (Acct. 190) (Total of lines 8, 16 and 17)	8,006	-	3,666

NOTES

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages as required.

4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	DEBITS Amount (e)	Account Debited (i)	CREDITS Amount (j)		
							1
							2
							3
							4
							5
							6
							7
-	-		-		-	-	8
						-	9
						-	10
						-	11
						-	12
						-	13
						-	14
						11,672	15
-	-		-		-	11,672	16
							17
-	-		-		-	11,672	18

NOTES (Continued)

Name of Respondent
ILLINOIS GAS COMPANY

This Report is:
(1) X An Original
(2) A Resubmission

Date of Report (Mo./Da./Yr.)

Year of Report
Dec. 31, 2003

CAPITAL STOCK (Accounts 201 and 204)

Utilities with gas and electric operations who file this page in FERC Form 1, this page is optional. Please note on page 1, "Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are comparable.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock, and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Common	3,000	-	-
2				
3				
4				
5				
6				
7				
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CAPITAL STOCK (Accounts 201 and 204) (continued)

OUTSTANDING		REACQUIRED		OTHER		Line No.
Shares	Amount	Shares	Amount	Shares	Amount	
2,400	297,214	600	387,239	-	-	1
						2
						3
						4
						5
						6
						7
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